Dr Michael Spence AC
Vice-Chancellor and Principal

3 July 2019

Mr Kevin Magee
Assistant Secretary, China Economic and Engagement Branch
North Asia Division
Department of Foreign Affairs and Trade

By email: nfacr@dfat.gov.au

Dear Kevin,

The activities of the National Foundation for Australia-China Relations

Thank you for your email of 17 May 2019 inviting a submission from the University of Sydney about the role the National Foundation for Australian-China Relations ("the Foundation") should play to help strengthen Australia’s relations with China.

The four key points we would like to convey to this consultation process are that:

1. the Government’s commitment to establish and provide substantial funding for this Foundation is most welcome, given the fundamental importance of China to Australia's future prosperity;
2. the University of Sydney is very keen to work with the Government and the Foundation – once established – to help ensure the success of this initiative;
3. Sydney is the obvious location for the headquarters of the Foundation, due to the relatively large size of its Chinese-Australian population and various other compelling factors; and
4. the Foundation’s success will be maximised if it focuses its efforts on public education activities in Australia and China – to shine a spotlight on the positive aspects of the relationship and the benefits that flow from it for people at all levels in both countries.

General comments

The University of Sydney strongly supports the Morrison Government’s decision to establish this new Foundation to build on the good work of the Australia-China Council to become Australia’s new high-profile platform for deepening ties with China.

Australia’s bilateral relationship with China is arguably the most complex – yet the most important to nurture – if Australia is to navigate the current period of geopolitical tension and trade uncertainty to secure a prosperous future.

China is Australia’s largest two-way trading partner, our single biggest export market and supplier of imports. It is a major source of Australian migrants, with more than 1.2 million Australian residents (5 per cent of the population) claiming Chinese heritage.

China is Australia’s most important source of international students and tourists – sectors that together contribute $50 billion annually to Australia’s economy, support tens of thousands of jobs, deepen cultural understanding and people-to-people links.
At the University of Sydney – supported by the policies of successive Australian governments – we have worked actively for decades to help build and foster understanding and relations between Australia and China.

Today, we are proud to have more than 18,000 Chinese students benefiting from the uniquely Australian western liberal education we offer. While studying here our Chinese students make an enormous contribution to University life, the local communities in which they live and the NSW economy. Our Chinese graduates – more than 50,000 at last count – are extraordinary advocates for the University, Sydney and Australia when they return to China, or pursue careers elsewhere overseas. For those that remain in Australia, they maintain close ties and networks in China.

Australia’s good relations with China over the last four decades have fostered the rapid expansion of mutually beneficial research collaborations between Australian and Chinese research institutions and businesses. By way of example, our China Studies Centre coordinates a network of 250 University of Sydney academics who are working in multidisciplinary teams to improve our understanding of China and strengthen relations between the two countries. We have formal research agreements with more than 100 Chinese universities and research organisations, while our researchers currently co-produce more than 1,000 papers annually with Chinese colleagues.

For these reasons and more, the University of Sydney warmly welcomes the substantial funding increase the Government has committed to expand and deepen Australia’s ties with China. We are committed to working closely with the Foundation once it is up and running.

The Foundation’s location, role, priorities and activities

The Foundation will make the greatest positive contribution to strengthening Australia-China relations if it is headquartered in Sydney and if its efforts are focused on leading and supporting public education – both in Australia and China – about the positive aspects of the relationship.

Sydney is the obvious home for the Foundation due to the size of its Chinese-Australian community, its concentration of Chinese companies and other organisations, its attractiveness to Chinese students and visitors, the strength of expertise about China within its universities and the extent of their collaborations with China. Notably, two out of every five Australian residents born in China live in the Sydney Metropolitan Area, where one in ten residents claim Chinese heritage.

Basing the Foundation in Sydney will also help its expanded focus to promote Australian excellence in areas such as agriculture, infrastructure, health and ageing and the environment and energy. Many of the major companies working in these areas are headquartered in Sydney, including major agriculture companies (CSR, Mitsui & Co, Goodman Fielder, Wesfarmers) infrastructure organisations (Lend Lease, Laing O’Rourke) healthcare and aged care providers (Ramsay, Healthscope, Sonic Healthcare, Moran, Cochlear) energy providers (AGL, Origin) and many more.

We see much to be gained if the Foundation can take a sophisticated and long-term approach to promoting the benefits that flow to people in Australia and China from having strong trade and people-to-people links, despite our different political systems and views on some important issues.
The Department’s proposed four focus areas for deepening Australia’s relations with China are supported, but in revised priority order as follows:

- showcasing the best of Australia;
- promoting practical cooperation in key areas;
- positively engaging the Chinese-Australian community; and
- enhancing leadership exchange.

We propose this reordering as our sense is that activities supporting leadership engagement between Australia and China are already relatively well supported through the wide range of existing regular leadership dialogues and delegations led by governments, business groups, NGOs, universities and other organisations.

Funding priority should be given to supporting activities that showcase the best of the Australia-China relationship to the general public in both countries.

Funding support should also be provided to promote practical cooperation in areas of mutual interest and to empower the Australian-Chinese community and the alumni of Australian education providers returning to China to champion the relationship.

In terms of how the Foundation might best take its agenda forward practically, we recommend consideration of models like the Industry Chapters used by the Australia India Business Council. The AIBC currently supports nine national Industry Chapters in Health, Education and Skills Development, Women in Business, Young Business Leaders, Digital, SMEs and Startups, Energy and Resources, and Sports. Each Chapter is focused on creating networking opportunities for people interested in learning about and contributing to the bilateral relationship between Australia and India.

With some adjustments and reliable funding support, a model like the AIBC’s Industry Clusters could be developed by the Foundation to provide a governance and organisational structure through which to progress its agenda.

Given China’s significance to Australia’s international education sector – both as a source of students and research partnerships – it will be important that the Foundation’s Board includes appropriate representation from the university sector. The Foundation should also build into its governance and ongoing consultation processes, clear and regular mechanisms for engaging with the university sector as one among many key stakeholder groups.

We are deeply committed to working with the Department of Foreign Affairs and Trade as it develops the Foundation’s governance, strategic priorities and work program.

We would be delighted for an opportunity – in Canberra or Sydney as convenient – to discuss with the Department, options for securing a suitable inaugural base for the Foundation in Sydney.

Yours sincerely,

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